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20150716145933
Filed Date: 07/16/2015
State Corporation Commission
of Kansas

WALKER HENDRIX
Managing Attorney

July 16, 2015

VIA ELECTRONIC TRANSMISSION

Ms. Neysa Thomas
Acting Executive Director
Kansas Corporation Commission
1500 S.W. Arrowhead Road
Topeka, KS 66604

Re: In the Matter of a General Investigation Regarding the Acceleration of Replacement
of Natural Gas Pipelines Constructed of Obsolete Materials Considered to be a Safety Risk.

Docket Number 15-GIMG-343-GIG

Dear Ms. Thomas:

Enclosed please find the *Response Of Kansas Gas Service To The Curb Petition For
Reconsideration And/Or Clarification* for filing in the above-referenced matter.

Sincerely,

A handwritten signature in blue ink, appearing to read "Walker Hendrix", written over a faint circular stamp or watermark.

Walker Hendrix

WH/sef
Encl.

**THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS**

In the Matter of a General Investigation)
Regarding the Acceleration of Replacement)
of Natural Gas Pipelines Constructed of) Docket No. 15-GIMG-343-GIG
Obsolete Materials Considered to be a Safety)
Risk.)

**RESPONSE OF KANSAS GAS SERVICE TO THE CURB PETITION FOR
RECONSIDERATION AND/OR CLARIFICATION**

COMES NOW, Kansas Gas Service, a Division of ONE Gas, Inc. (“Kansas Gas Service”) and for its Response, submits the following:

1. On July 6, 2015, the Citizens’ Utility Ratepayer Board (“CURB”) filed a Petition for Reconsideration and/or Clarification. The petition repeats many of the arguments made by CURB in its Brief on Jurisdiction. Kansas Gas Service addressed the jurisdictional issues related to the Commission’s ability to establish an alternative rate mechanism for pipeline replacement in its Brief Regarding Jurisdictional Issues and does not desire to burden the record with a recitation of those arguments. Kansas Gas Service would offer its arguments in favor of jurisdiction as a basis for denying the CURB Petition for Reconsideration and requests the Commission to incorporate them by reference. The Commission Staff has also filed a responsive brief to the CURB petition. It sets forth a comprehensive discussion of the issues and explains why the CURB petition should be denied. Kansas Gas Service supports the Staff request to deny the CURB petition and believes it addresses the major points raised by CURB.

2. The CURB Petition for Reconsideration fails to discuss certain portions of the Kansas Gas Safety and Reliability Policy Act of 2006 (“GSRA”). It provides a lengthy discussion of the legislative history underlying the enactment of the GSRA. It discusses its interpretation of the

scope of the Act. As noted, the language in the Act is unambiguous and requires no recitation of legislative history.¹ It is abundantly clear that the Legislature did not intend to displace the Commission's plenary ratemaking authority under the Public Utility Act or to restrict it in establishing rate mechanisms that would enhance the ability to conduct major pipeline replacement programs. The Section 2204 (i) GSRA states:

(i) Nothing in this section shall be construed as limiting the authority of the commission to review and consider infrastructure system replacement costs along with other costs during any general rate proceeding of any natural gas public utility.

3. In its Petition for Reconsideration, CURB also seeks clarification regarding reference to the residential cap of \$.40 in the Commission's Order of June 18, 2015, and what that language means. It would seem apparent from the Order that the Commission was not intending to modify the GSRA or the benefits and the cap that is contained in the Act. The GSRA would remain an independent procedure by which a utility could make a request for reimbursement of its expenses under the Act. The Commission indicated its intent was broader than the GSRA and included major construction programs directed at the replacement of obsolete pipe. In proceeding under its general ratemaking and regulatory authority, the Commission would not be otherwise limited by the cap.

WHEREFORE, Kansas Gas Service, a division of ONE Gas, respectfully prays that the Commission issue an Order denying the Petition for Reconsideration.

¹ In Re Marriage of Killman, 264 Kan. 33, 43, 955 P.2d 1228 (1998).

Respectfully submitted,

KANSAS GAS SERVICE,
A DIVISION OF ONE GAS, INC.

By:  _____

Walker Hendrix
Kansas Gas Service
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(913) 319-8617

ITS ATTORNEYS

DATED: July 16, 2015


VERIFICATION

STATE OF KANSAS)

) ss


COUNTY OF JOHNSON)

Walker Hendrix of lawful age, being first duly sworn upon oath, deposes and states: That he is an attorney for Kansas Gas Service, a division of ONE Gas, Inc.; that he has read the above and foregoing *Response* and that the statements therein contained are true according to his knowledge, information and belief.



Walker Hendrix

Subscribed and sworn before me this 16th day of July, 2015.



Notary Public



My Appointment Expires: 06/05/2018

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon each person designated on the official service list compiled by the Secretary in this proceeding.

Dated at Overland Park, Kansas this 16th day of July, 2015.

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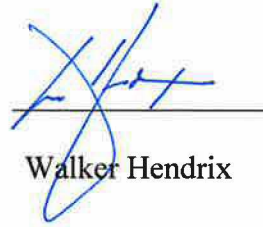
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